

**OUTLINE**  
**RESIDENTIAL DEVELOPMENT CONTROL SYSTEM**  
**ORIENTATION MEETING**  
**July 21, 2008**

**1. OVERVIEW OF THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM**

The current version of the Residential Development Control System (RDCS) was enacted by the citizens of Morgan Hill in March 2004 to regulate the rate of growth of major residential development in the community. The Measure applies to all residential development in the City including mobile homes. The only exception is the construction of a single-family dwelling or one dwelling unit addition on parcels of record.

A limited number of building allotments are available in any single year. To determine which projects receive allotments, projects are evaluated according to a series of standards and criteria contained within 14 separate categories. Points are assigned depending on how well a project does in a particular category. Generally, those projects that receive the highest points are awarded a building allotment.

**2. BUILDING ALLOCATION TIME LINE**

Building allocations are awarded for a given fiscal year. A property owner or developer must physically commence construction under the building allotment by end of that fiscal year. The filing date under the RDCS process has been established to provide sufficient lead-time to receive all necessary approvals, financing, etc., prior to the required issuance of building permits. Projects' receiving an allocation will be able to construct dwelling units during the City's 2010-11 fiscal year (July 1, 2010 through June 30, 2011). Building permits under the FY 2010-11 allotment can be issued anytime prior to the start of the fiscal year of the building allotment provided that the dwelling units cannot be completed and occupied no early than July 1, 2010. See attached Early Start of Construction Policy.

To ensure that projects have the maximum time available for actual construction, a project tracking time line has been established to monitor the progress of a development through the approval process (see attached). This time line requires the property owner or developer to submit applications for various approvals by specific dates. The City is also required to take action on the various applications within the periods specified in the time line. Should a Project fail to comply with the time line, the City Council may choose to rescind all or part of the project's development allotment and award that allotment to the next development on the list that has qualified for such allotment. Projects that comply fully with the time line will have the full 12 months of the fiscal year of the award in which to commence construction on the homes within the development.

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### A. Definition of Physical Commencement:

According to Section 18.78.125(G) of the Measure C Ordinance, "dwelling units allocated for one fiscal year and not physically commenced according to an approved development schedule by the end of that fiscal year, shall lose their allocation." A project shall be deemed to have physically commenced development upon issuance of a building permit and completion of the following improvements:

Installation of on-site and off-site improvements including grading and certification of the building pad by the Building Division and completion of one or more of the following:

- a) Excavation of the footings and foundations for the dwelling unit
- b) Installation of water or sewer laterals to the relevant units

The above threshold must be achieved by June 30, 2011 to preserve the building allotment.

### **3. NUMBER AND TERM OF BUILDING ALLOTMENTS**

On June 18, 2008, the City Council approved the Planning Commission's recommendation and authorized a one-year RDCS competition to be conducted in October 2008 to award **221** building allotments for Fiscal Year 2010/11. The following is the approved distribution by competition category:

<u>Competition Category</u>	<u>Allotment</u>	<u>Downtown Exemption *</u>
On-going Projects	75	75
Affordable Set-aside	30	30
Micro Projects	6	6
Small Projects	10	10
Multi-Family Rental	30	55
Open/Market	30	45
Downtown	40	0
Total	221	221

\* The City Council will be placing a Measure on the November 2008 General Election ballot to exempt up to 500 dwelling units in the Downtown Area from the RDCS. Should the voters approved this Measure, the 40 dwelling units set-aside for the Downtown will be reallocated to the Open/Market and Multi-family Rental set-asides as shown on the right side column of the above

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table. In addition, the distribution of allotment as shown above may be adjusted by the Planning Commission as deemed necessary to respond to changes in the housing market (change in the build-out rate for existing projects, no application in categories, increased demand for particular housing types, etc.).

### **4. AMENDMENTS TO RESIDENTIAL DEVELOPMENT CONTROL SYSTEM**

The orientation meeting will include an overview of the major changes to the Residential Development Control System evaluation criteria. The more significant changes are in the Housing Needs and Housing Types categories and in Quality of Construction. The Council approved changes that 1) eliminated the provision of non-deed restricted moderate units, 2) retained median income BMR (up to 5% compared to 8% under the previous criteria, 3) revised the scoring criteria to encourage the construction of additional secondary dwelling units (up to 20%) and 4) incorporated different sales prices for housing types into the RDCS process.

In the Quality of Construction category, the criteria were changed to encourage green building practices in new residential developments. To encourage green building practices, the City Council approved an implementation strategy to use the Building It Green (BIG) checklist in the RDCS scoring criteria. See attached BIG checklist for single-family dwellings as an example. The adopted changes have:

- Replaced point criteria in the Quality of Construction Category with the BIG Checklist. Points will be awarded for achieving a range of points in the BIG checklist;
- Increased points and scoring opportunities for alternative power and energy efficiency. These changes have been incorporated in the Natural and Environmental Category.

The scoring table for the BIG Checklist is shown as a new criterion B1 in the Quality of Construction Category. The attached memorandum dated May 28, 2008 from staff to the Planning Commission RDCS Subcommittee, provides background information on the revisions to implement the Build It Green's Checklist in the Quality of Construction category.

### **5. AMENDMENTS TO MICRO PROJECT SCORING PROCEDURES**

Micro Project is a separate RDCS competition that applies to projects at build-out that consists of six or fewer dwelling units. To address ways to streamline the processing of micro projects to lower costs, the City Council approved changes to the initial scoring categories. Only nine of the 14 categories are used to evaluate a micro project. Projects are awarded automatic points in the other categories. The changes eliminated the need for staff to evaluate each project according to

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the remaining evaluation categories in the event of a tie score. When a tie occurs, the Planning Commission will rank each project to determine which project(s) are eligible to receive the building allotment.

As part of an update of the Department's application fees, a lower fee will be adopted before October application filing date.

### **6. PROJECT SUBMITTAL REQUIREMENTS**

A limited number of application packets have been prepared for the Orientation Meeting that lists the submittal requirements for all RDCS projects. The application submittal typically includes a site utilization plan, site development plan, preliminary architectural plans including building elevations showing all sides of one typical model and front elevations of other buildings, preliminary grading plan and a landscape plan. The project submittal also includes a project narrative, which contains the applicant's responses to the evaluation criteria. A copy of the RDCS application and project narrative questionnaire is available on CD or can be e-mailed to you upon request. A separate application packet is available for evaluation and scoring of Micro Projects.

#### Project Narrative

To assist City Staff and the Planning Commission in their review and evaluation of RDCS applications, a standard format for the RDCS Project Narrative has been prepared (see application packet). Applicants will need to provide 12 copies of a stapled, 8 ½ x 11 inch size report which includes a response to each evaluation criterion. The format of the narrative must be consistent with the format shown in the application packet and should only include reduced copies of the submittal plans.

The format for this year's project is a series of Microsoft Excel Worksheets. Each of 14 evaluation categories is a separate worksheet and you navigate through the document using the tabs at the bottom of the view screen. You enter your written response in the left side column as in prior year competition; however unlike a Word document the space provided for your written response is a fixed size so it is important your responses be brief and concise. The Excel worksheet include build-in "write protected" formulas that will automatically total the point scores you enter at the bottom of each evaluation category and the grand total score sheet at the end of the narrative. If you need more space to provide a written response, you will need to attach the added text as an addendum to your narrative. We strongly recommend that you limit your written responses to the space provided in the project narrative questionnaire.

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### 7. APPLICATION FILING DEADLINES

All Residential Development Control System project applications must be filed with the Community Development Department on or before Wednesday, **October 1, 2008**. In order to allow sufficient time to receive each application, the City will require applicants to make an appointment for the day and time an application is to be filed. The Community Development Department will accept appointments for RDCS submittal beginning September 15, 2008.

### NOTES